

DEBT FUNDING

*Agreement signed at Washington June 4, 1932, modifying agreement
of June 18 and 19, 1923
Operative from July 1, 1931*

Treasury Department print

AGREEMENT

Made the 4th day of June, 1932, at the City of Washington, District of Columbia, between the Government of the United Kingdom of Great Britain and Northern Ireland, hereinafter called the Government of the United Kingdom, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part

WHEREAS, under the terms of the debt funding agreement between the Government of the United Kingdom and the United States, dated June 19, 1923,¹ there is payable by Great Britain to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of the bonded indebtedness of the Government of the United Kingdom to the United States, the aggregate amount of \$159,520,000, including principal and interest; and

WHEREAS, a Joint Resolution of the Congress of the United States, approved December 23, 1931,² authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with the Government of the United Kingdom on the terms hereinafter set forth, to postpone the payment of the amount payable by the Government of the United Kingdom to the United States during such year in respect of its bonded indebtedness to the United States; and

WHEREAS, the Government of the United Kingdom hereby gives assurance, to the satisfaction of the President of the United States, of its willingness and readiness to make with the Government of each foreign country indebted to the Government of the United Kingdom in respect of war, relief, or reparation debts, an agreement in respect to the payment of the amount or amounts payable to the Government of the United Kingdom with

¹ *Ante*, p. 397.

² 47 Stat. 3.

respect to such debt or debts during such fiscal year, substantially similar to this Agreement authorized by the Joint Resolution above mentioned;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of \$159,520,000, payable by the Government of the United Kingdom to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of the bonded indebtedness of the Government of the United Kingdom to the United States, according to the terms of the agreement of June 19, 1923, above mentioned, is hereby postponed so that such amount together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by the Government of the United Kingdom to the United States in ten equal annuities of \$19,441,530.10 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943.

2. Except so far as otherwise expressly provided in this Agreement, payments of annuities under this Agreement shall be subject to the same terms and conditions as payments under the agreement of June 19, 1923, above mentioned. The proviso in paragraph 6 of such agreement, authorizing the postponement of payments on account of principal, and the option of the Government of the United Kingdom provided for in paragraph 3, to pay in obligations of the United States, shall not apply to annuities payable under this Agreement.

3. The agreement of June 19, 1923, between the Government of the United Kingdom and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this Agreement.

4. The Government of the United Kingdom and the United States, each for itself, represents and agrees that the execution and delivery of this Agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this Agreement have been completed as required by the laws of the United Kingdom and the United States, respectively, and in conformity therewith.

5. This Agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

IN WITNESS WHEREOF, the Government of the United Kingdom has caused this Agreement to be executed on its behalf by The Right Honorable Sir Ronald Lindsay, Ambassador Extraordinary and Plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this Agreement to be executed on its behalf by The Honorable

Ogden L. Mills, Secretary of the Treasury, with the approval of the President, pursuant to a Joint Resolution of Congress, approved December 23, 1931, all on the day and year first above written.

The Government of the United Kingdom

By

R. C. LINDSAY,

Ambassador Extraordinary and Plenipotentiary

The United States of America

By

OGDEN L. MILLS

Secretary of the Treasury

Approved:

HERBERT HOOVER,

President